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Foreign Crops and MARKETS

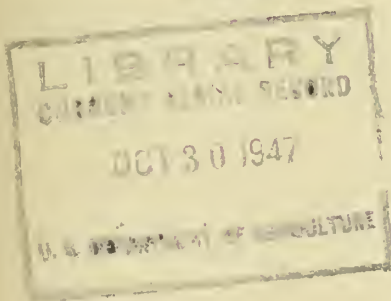


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FOR RELEASE

MONDAY

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L A T E N E W S

The cotton textile industry in Tsingtao (North China) comprising 350,000 spindles in nine government-owned mills was closed on October 11 for lack of power **caused by** coal shortage. Arrangements are being made to ship coal from Shanghai to relieve the crisis.

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Cotton stocks in Rumania on July 31, 1947 were reported at 18,000 bales compared with 10,000 a year ago. Imports during the year totaled about 73,000 bales. Production amounted to 7,000 bales, mill consumption to 70,000 bales, and other consumption to 3,000 bales.

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The Commerce Minister of Pakistan has announced the formation of a finance corporation with paid-up capital amounting to 10,000,000 rupees (\$3,016,000) and a working fund of 60,000,000 rupees (\$18,096,000) to assist the cotton trade in moving the current West Punjab crop. The capital is to be held by the Pakistan and West Punjab Governments and by the Habib and Australia banks. It is expected that such financing will move the 820,000-bale West Punjab crop. The Pakistan Government is expected shortly to announce a compulsory scheme for riot and civil disturbance risk insurance for cotton similar to war risk insurance.

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The 1947 production of dry edible peas in Canada is estimated at 1,100,400 bags (of 100 lbs.), or 19 percent below the 1946 crop of 1,363,800 bags, and about 37 percent above the 1935-39 average of 803,400 bags. Dry bean production is estimated at 987,000 bags, about 5 percent larger than the 1946 crop of 943,800 bags, and 26 percent above the 1935-39 average of 769,200 bags.

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Much of the commercial dry pea crop is used by soup and vegetable packers located in British Columbia and eastern Canada. Seed is distributed widely. During the first seven months of 1947, Canada exported 147,600 bags of whole peas and 60,600 bags of split peas. During the same period, Canada exported 106,800 bags of dry beans, and 31,140 bags of canned baked beans.

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The 1947 canned tomato pack in Cuba is estimated at 334,000 cases, as compared with 360,000 cases packed in 1946. As usual, most of the pack consisted of tomato puree packed in 7-ounce tins. The 1947 pack of pimientos (sweet peppers) was approximately 50,000 cases of 100 cans of 7-ounces each, according to preliminary estimates. The 1946 pack was estimated at 116,000 cases. Because of the decreased demand for canned pimientos, more were shipped in fresh form to United States markets last winter.

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WORLD COTTON PRODUCTION SHOWS MODERATE INCREASE

World cotton production in 1947-48 is estimated at 26.1 million bales (of 500 pounds gross) or 21 percent above the exceptionally small crop of 21.5 million bales last year. Nearly all of the increase is accounted for by larger crops in the United States and the Soviet Union in the Northern Hemisphere and expected increases in Brazil, Argentina, and Peru, where the 1947-48 crops are still being planted. Expected increases in those countries are based on the assumption that weather conditions this year will be more nearly normal than in 1946 when both the planted acreage and yields were reduced by unfavorable weather.

Production in Mexico this year, estimated at 464,000 bales, is about the same as in 1946. Acreage was increased by about 17 percent but indications are for a somewhat lower yield per acre.

The 1947 crop in the United States is estimated at 11,508,000 bales, an increase of 2,868,000 bales, or 33 percent above the small 1946 crop. The increase is attributed to an increase in harvested area from 17,615,000 acres in 1946 to 21,143,000 this year, and to an increase in average yield per acre from 235.3 pounds to 261.3 pounds. More favorable weather resulted in smaller abandonment of planted acreage, and a crop of generally higher quality.

Cotton production in China has increased steadily since the war ended, reaching about 2,150,000 bales this year, compared with 1,925,000 last year and 1,820,000 in 1945.

The 1947-48 crop in India has suffered, both from drought and civil disturbances. No estimates are available, but recent reports indicate an increase of 5 to 10 percent in acreage in Bombay Province (nearly one-third of the total for India) and a decrease of a similar amount in other parts of India thus placing the 1947-48 acreage and production at about 14.5 million acres and 3.3 million bales (of 500 pounds) compared with 14.6 million acres and 3.4 million bales a year ago. The entire production series for India is revised upward through the adoption of estimates published annually by the Indian Central Cotton Committee, a quasi-official agency.

In Brazil where the 1947-48 crop (south Brazil) is being planted, early reports indicate the probability of a small increase in acreage, due largely to satisfactory rainfall and other weather conditions that were unfavorable last year. On the other hand, the high prices still available for food crops this year and substantial cotton stocks remaining from previous crops may discourage any appreciable increase in cotton acreage. Favorable weather conditions so far this year in contrast to last year's drought should result in a considerable increase in yields above last year's low level. The 1947-48 crop is tentatively placed at 2 million bales.

The 1947-48 crop in Argentina may be increased to around 400,000 bales compared with last year's small crop of 301,000, as favorable weather has stimulated some increase in acreage and presages higher yields than in 1946-47. The past 3 cotton crops have not equalled domestic consumption, stocks have been reduced to a low level and the export restrictions imposed in July 1946 have not been removed. The Government is encouraging some increase in cotton acreage this year.

(Continued on page 284; tables follow)

COTTON: World acreage and production, average 1935-59,
annual 1944-47

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Continent and country	Acreage					Production a/				
	Year beginning August 1 b/		Year beginning August 1 b/			Year beginning August 1 b/		Year beginning August 1 b/		
	Average 1935-39 1,000 acres	1944 1,000 acres	1945 1,000 acres	1946 c/ 1,000 acres	1947 c/ 1,000 acres	Average 1935-39 1,000 bales	1944 1,000 bales	1945 1,000 bales	1946 c/ 1,000 bales	1947 c/ 1,000 bales
North America:										
El Salvador.....	9	32	24	27	17	5	16	11	19	17
Guatemala.....	-	7	-	-	7	2	4	3	3	4
Mexico.....	725	963	904	843	988	334	472	434	460	464
Nicaragua.....	9	4	5	1	-	5	3	4	1	-
United States.....	27,788	20,009	17,241	17,615	21,143	13,149	12,230	9,015	8,640	11,508
British West Indies.....	20	16	12	-	-	5	4	3	4	-
Haiti.....	-	-	40	25	25	22	11	11	7	12
Puerto Rico.....	2	-	-	-	-	1	1	2	-	-
Total North America d/.....	28,447	21,078	18,240	18,533	22,200	13,523	12,741	9,483	9,135	12,012
Europe:										
Bulgaria.....	85	48	57	95	95	35	11	10	22	20
Greece.....	168	80	67	130	95	65	34	27	50	44
Italy.....	56	37	34	41	50	21	9	9	12	15
Rumania e/.....	8	110	128	102	-	2	22	20	11	-
Spain.....	46	148	90	159	130	10	27	7	23	20
Yugoslavia.....	8	15	-	-	-	3	-	-	-	-
Total Europe d/ (excluding U.S.S.R.).....	372	439	387	542	485	136	108	75	122	124
U.S.S.R. (Europe and Asia).....	5,087	2,865	2,995	3,216	3,625	3,430	-	1,700	2,200	2,935
Asia:										
Cyprus.....	11	4	-	-	-	3	2	1	2	-
Iran.....	442	290	303	198	250	171	81	92	64	80
Iraq.....	53	18	25	25	20	11	2	5	4	4
Syria.....	93	40	43	49	49	31	13	20	22	14
Turkey.....	667	644	572	690	-	275	272	301	271	-
Afghanistan.....	-	-	-	-	-	49	-	20	-	-
Burma.....	428	375	226	134	-	97	35	32	17	-
China (includes Manchuria).....	7,038	5,600	6,300	6,500	7,150	2,855	1,600	1,820	1,925	2,150
French Indochina.....	36	-	-	-	-	6	-	-	f/	f/
India g/.....	24,204	14,843	14,478	14,608	14,500	5,373	3,794	3,530	3,417	3,300
Korea.....	564	752	705	400	400	180	228	163	90	90
Netherlands Indies.....	27	-	-	-	-	9	11	-	1	-
Philippine Islands.....	5	40	10	10	-	1	8	2	1	f/
Siam.....	16	-	-	-	-	7	-	17	-	-
Total Asia (excluding U.S.S.R.) d/.....	33,802	22,865	22,905	22,844	23,345	9,074	6,148	6,027	5,852	5,980

Export demand for the frozen product has declined while the demand for brined sliced pineapples has increased and shipments of the latter product may total 11,000 barrels, the largest quantity shipped since 1942. The increase in demand for the brined pineapple pack is attributed to the improvement in the sugar supply situation in the United States.

A total of 4,900,000 crates (80 pounds) of pineapple from the 1947 crop were utilized as follows: domestic consumption 700,000; exports - fresh 1,400,000, canned 2,500,000 brined 200,000 and frozen 100,000 crates.

TOBACCO

CUBA HAS ANOTHER LARGE TOBACCO CROP

The 1946-47 harvest of leaf tobacco in Cuba totaled about 77 million pounds, according to a recent report from the American Embassy at Havana. This compares with earlier estimates of about 65 million pounds. In 1945-46, a bumper crop of 85 million pounds was harvested.

The large outturn last spring is attributed to several factors. Growers learned that the Government planned to limit plantings for the 1947-48 crop, and consequently harvested second-growth tobacco, and leaves which normally would not have been harvested. Moreover, abundant rains after the main harvest resulted in a heavy second-growth of leaves.

At the end of September, only about 40 percent of the tobacco in Remedios and 30 percent in Vuelta Abajo had been sold or contracted. Usually growers market their leaf earlier, but this season they were not satisfied with the prices which were offered. Reports indicate that most farmers are now disposing of their crop at prices somewhat lower than last year.

DOMINICAN TOBACCO CROP MAY INCREASE SLIGHTLY

The 1947-48 tobacco crop in the Dominican Republic is forecast at about 29.7 million pounds compared with 27.5 million for 1946-47, according to a report from the American Embassy at Ciudad Trujillo. Smaller than normal acreages are being planted this fall, because of growers' fears that European purchasers will take only limited amounts of leaf in 1948. Present prices to farmers are below those offered early in the year, and consequently sales are moving slowly. Growers stocks are estimated at 4.4 million pounds.

TROPICAL PRODUCTS

NETHERLANDS INDIES TEA INDUSTRY SUFFERS HEAVY LOSSES FROM INDONESIAN WAR

Reports indicate that Java's tea industry has suffered more extensively from damage as a result of the Netherlands-Indonesian conflict than any of the Island's other plantation industries. Although uprooting of tea gardens

commenced during the Japanese occupation to make way for needed food, vegetable oil and fiber crops, severe damage to several tea processing plants did not occur until the recent outbreak of hostilities.

Ninety percent of Java's tea area located in the western part of the Island as well as plantations in central and east Java have been re-occupied by the Dutch. Approximately 30 percent of the 250 tea-processing plants in operation during the prewar period have either been destroyed or damaged. Destruction appears to be heaviest in the Krawang Regency where a number of Anglo-Dutch estates are located.

In view of this recent set-back to the tea industry in Java, it is considered doubtful that the prewar level of production may be achieved in 1952 as reported some weeks ago.

COTTON

COTTON-PRICE QUOTATIONS ON FOREIGN MARKETS

The following table shows certain cotton-price quotations on foreign markets, converted at current rates of exchange:

COTTON: Spot prices of certain foreign growths
and qualities in specific markets

Market location kind, and quality	Date : 1947	Unit of weight	Unit of currency	Price in: foreign currency	Equivalent U.S. cents per pound
Alexandria	:	:Kantar	:	:	:
Ashmouni, Good.....	:10-16	: 99.05 lbs.	:Tallari	: 40.50	: 33.79
Ashmouni, F.G.F.....	: "	: "	: "	: (not:quoted)	:
Giza 7, Good.....	: "	: "	: "	: 44.50	: 37.13
Giza 7, F.G.F.....	: "	: "	: "	: (not:quoted)	:
Karnak, Good.....	: "	: "	: "	: 46.75	: 39.01
Karnak, F.G.F.....	: "	: "	: "	: 43.75	: 36.50
Bombay	:	:Candy	:	:	:
Jarila, Fine.....	: "	: 784 lbs.	:Rupee	: 431.00	: 16.58
Broach, Fine.....	: "	: "	: "	: 545.00	: 20.97
Sind American, Fine.....	: "	: "	: "	: 555.00	: 21.35
Punjab " 289-F, Fine:	: "	: "	: "	: 665.00	: 25.58
Kampala, East African....	: "	: "	: "	: 920.00	: 35.39
Buenos Aires	:	:Metric ton	:	:	:
Type B.....	:10-17	: 2204.6 lbs.	:Peso	:2590.00	: 34.98
Lima	:	:Sp. quintal	:	:	:
Tanguis, Type 5.....	:10-16	: 101.4 lbs.	:Sol	: 160.00	: 24.27
Pima, Type 1.....	: "	: "	: "	: 195.00	: 29.58
Recife	:	:Arroba	:	:	:
Mata, Type 5.....	:10-17	: 33.07 lbs.	:Cruzeiro	: 115.00	: 18.92
Sertao, Type 5.....	: "	: "	: "	: 125.00	: 20.57
Sao Paulo	:	:	:	:	:
Sao Paulo, Type 5.....	: "	: "	: "	: 157.50	: 25.91
Torreón	:	:Sp. quintal	:	:	:
Middling, 15/16".....	: "	: 101.4 lbs.	:Peso	: 125.00	: 25.36

Compiled from weekly cables from representatives abroad.

FATS AND OILSHUNGARY PRODUCES
RECORD OILSEED OUTPUT

Hungary's total oilseed production for the current year is the largest on record. It is 17 percent greater than the 1946 output and 275 percent greater than prewar, according to official estimates. The increase was due to the notable expansion in sunflower seed, by far the most important of this country's oil-producing seeds, which attained the record production of 213,000 short tons, an increase of 600 percent over prewar.

Other major oilseed crops were below the prewar average. Flaxseed output reached 148,000 bushels, an increase of almost 60 percent over last year's crop. Soybean production is placed at 90,000 bushels, also representing a 60 percent increase over that of a year ago. Poppy seed amounted to 2,000 tons, a 30 percent increase over the 1946 crop. Rapeseed production, however, which reached a prewar average of 10,000 tons, has now declined to an insignificant amount. In addition, small quantities of hempseed, castorbeans, pumpkin seed, and tobacco seed are grown.

The production of vegetable oils on the present scale in Hungary is relatively new and was necessitated by the shortage of animal fats. Some vegetable oils were produced prior to the war for industrial purposes, while edible oils were mostly imported. The expansion of the vegetable oil industry, brought about by the increased need of fats and oils during and after the war, was fortunate for post-war Hungary when it was necessary to place greater reliance on vegetable oils for the fat supply of the population.

Prior to World War II there were 12 processing plants in Hungary manufacturing vegetable oils. The year 1928 was considered a turning point in the history of vegetable oil processing. Increased tariffs on imported oils encouraged the founding of oil mills with modern equipment. At the beginning of the war 16 large mills were crushing oilseeds. The war brought about severe changes in the industry. Farmers owning over 21 acres of arable land were compelled to grow commercial and industrial crops on 7 percent of their land. Sunflower seed, flaxseed, rapeseed, soybeans, hempseed and castorbeans were stipulated as compulsory crops. Special regulations governed the delivery of seed, processing, and sale of the resulting oils. In 1942 the total quantity of oilseeds obtained and crushed by 54 mills was over 230,000 tons. During 1945 over 280,000 tons were delivered for processing. Although at present there is no regulation providing for the compulsory surrender of oilseeds, a new decree is expected shortly which will make this compulsory and also provide for the payment of taxes in the form of oilseeds.

HUNGARY: Oilseed production, 1947 with comparisons

Year	Sunflower seed	Flaxseed	Soybeans	Poppy seed	Rapeseed
	1,000	1,000	1,000	1,000	1,000
	<u>short tons</u>	<u>bushels</u>	<u>bushels</u>	<u>short tons</u>	<u>short tons</u>
Average 1935-39	31	283	a/ 125	7	10
1945	140	43	48	-	3
1946	184	94	56	2	1
1947	213	148	90	2	b/

Compiled from official sources. a/ 1939 only. b/ Less than 500 tons.

The production of oil in large and medium sized plants is under Government control. There are now 30 vegetable oil factories with a total annual capacity of about 275,000 tons of seed and an estimated 400 small country mills with an annual capacity of 11,000 tons. More than 59 percent of the national processing capacity is located within the Budapest area. The establishment of modern oil extraction and hydrogenation plants in Hungary increased the production of margarine from the prewar average of about 670 tons to 2,590 tons in 1946.

The fats and oils supply in Hungary during 1946 was good. Estimates indicate that consumption nearly reached the prewar level and allowed some export of edible oil. It is anticipated that the situation for this crop season will be similar.

From July 1, 1946 to September 1, 1947 Hungary exported 5,600 tons of sunflower seed, (1,800 of which went to Switzerland and 1,400 to Italy), 4,000 tons of sunflower-seed oil (1,000 to Czechoslovakia, 700 to the Netherlands and 700 to Great Britain) and 2,400 tons of pumpkin seed (1,400 to Italy). Some commitments have already been made under recently negotiated trade agreements to deliver oil and oilseeds to other countries during the 1947-48 season.

The price of sunflower seed has been fixed at 80.00 forints per quintal (3.08 cents per pounds), and the official price of oil was set at 5.00 forints per liter (21.45 cents per pound). Prior to harvesting of the new crop, there was a shortage of edible oil, and the black market price had risen to 18.00 forints per liter (77.22 cents per pound).

(Continued on following page)

GRAINS, GRAIN PRODUCTS AND FEEDS

(Continued from Page 277)

CANADA'S LATE-SOWN GRAIN CROPS SMALLER THAN IN 1946

Canada's production of late-sown grains is sharply reduced from the 1946 level, and slightly smaller than was forecast earlier in the season, according to the second official estimate. Mixed grains, the largest of these crops, is down a third from 1946, and as now reported at 35.6 million bushels is the smallest outturn reported since 1936. Shelled corn, reported at 6.7 million bushels this year, is 40 percent less than in 1946. Production of buckwheat, now placed at 5.8 million bushels, is about 20 percent above last year's crop, though slightly below the first estimate

A smaller acreage contributed to the reduction in mixed grains, though lower yields were the principal cause of the reduction, this year's yields being only about 75 percent of the 1946 average yields. A large part of the country's crop of mixed grains is grown in Ontario, with this year's crop in that Province about 70 percent of the total outturn. Acreage there was about 200,000 acres smaller than in 1946. In Quebec, the second ranking producer, a slight increase in area was more than balanced by reduced yields.

The sharp reduction in the shelled corn production was caused principally by reduced acreage, though yields are estimated to be about 10 percent below the 1946 average. Unfavorable weather and moisture conditions in Ontario during the normal planting period account for the reduced acreage. About 95 percent of the corn crop is grown in Ontario and virtually all of the remainder is in Manitoba. Average yields in the latter Province were slightly higher than in 1946.

Buckwheat is the only one of the late grains to show an increase over 1946. The crop, grown principally in Ontario and Quebec, is yielding about 10 percent less than in 1946, but a substantial increase in acreage more than outweighs the lower yields.

URUGUAY REPORTS INCREASED WHEAT ACREAGE

Wheat acreage seeded in Uruguay in the current year was about 28 percent larger than the acreage seeded a year ago, according to the first official estimate of 1,178,000 acres. The acreage seeded to oats, the second grain of importance in the country, was placed at 144,000 acres, about 15 percent less than the 1946 acreage.

Wheat seeding is completed in August, and the harvest normally begins in November and extends into January. Unfavorable factors this season have been insufficient moisture and a serious invasion of locusts.

Dry conditions held up seeding of small grains long past the usual time, and late seedings, especially, were reported to be in poor condition. In view of the unfavorable conditions, early-season expectations were that the harvested acreage of grains would be somewhat smaller than the seeded area.

FATS AND OILS (Continued from Page 281)

ARGENTINE ANIMAL FAT EXPORTS DROP IN AUGUST

Argentine animal fat exports during August amounted to more than 5,100 short tons and brought the January-August total to 57,000 tons. Although shipments were smaller than in July, the eight-months total was well above the corresponding period last year, and exceeded the 1946 calendar year by several thousand tons. The only shipment of lard was 65 tons to the United Kingdom. That country also took 78 percent of the tallow exports. Eire, the Netherlands, Italy and Germany accounted for 18 percent.

August tallow exports were 37 percent less than in the preceding month. The decline is attributed to the price asked by the Argentine Trade Promotion Institute, reported to be 2.70 to 2.80 pesos per kilogram (36 to 38 cents per pound) f.o.b. Buenos Aires. Buying countries considered this too high in relation to prices asked elsewhere.

Argentine tallow production during September-December is expected to be about 35,000 tons. In accordance with a Government decree, one-half of this quantity must be reserved for the domestic market.

Lard supplies may continue small as a result of the severe liquidation of hogs in 1946 when the corn crop was short and feed prices were high. Following the harvest of a larger corn crop in March-May of this year, hog feeding has again become decidedly profitable, but a significant increase in slaughterings is not expected until early in 1948.

ARGENTINE: Tallow and cattle fat exports,
January-August with comparisons

Country of destination	January-August			
	1945	1946	1946	1947
	Short tons	Short tons	Short tons	Short tons
North America:				
Mexico.....	10,840	6,429	6,157	656
Others.....	11,852	3,518	3,174	795
Total.....	22,692	9,947	9,331	1,451
South America.....	12,947	2,589	2,215	4,232
Europe:				
Belgium.....	1,429	761	696	1,118
France.....	138	2,572	2,572	1,238
Italy.....	-	1,017	553	2,584
Netherlands.....	327	1,120	1,120	2,988
Sweden.....	635	714	714	1,883
Switzerland.....	398	4,026	3,896	1,718
United Kingdom.....	19,982	5,380	5,024	14,706
Others.....	3,979	733	604	5,755
Total.....	26,888	16,323	15,179	31,990
China.....	-	-	-	67
Soviet Union.....	-	7,355	4,593	4,508
Others.....	347	13	6	450
Grand total.....	62,874	36,227	31,324	42,698

Compiled from official sources and consular reports.

PHILIPPINE COPRA EXPORTS
SURPASS PREVIOUS RECORD

In the nine months ended September 30, 1947, Philippine copra exports were approximately 702,000 long tons surpassing the record shipments of copra and coconut oil in terms of copra reported for the 12 months of 1940.

The United States, as in prewar years, was the most important market, taking 53 percent. Small quantities were shipped to other Western Hemisphere countries, Asia, and Africa. More than a third of the total went to Europe. International Emergency Food Council allocations of copra (in terms of oil) have been increased to 754,100 metric tons (742,200 long tons). The United States share is 309,400.

Philippine Islands: Copra Exports January-September 1947
(Long tons)

Country of Destination	: : Jan.-June :	: : July :	: : August :	: : September :	: : Jan.-Sept. :
United States.....	260,480	27,714	51,226	35,243	374,663
Canada.....	10,362	---	---	---	10,362
Mexico.....	1,500	---	---	---	1,500
Panama, C.Z.....	609	---	---	---	609
Colombia.....	4,000	---	---	---	4,000
Venezuela.....	4,450	---	---	---	4,450
Europe:					
Austria (UNRRA).....	7,000	---	---	---	7,000
Belgium.....	881	---	---	---	881
Czechoslovakia.....	7,676	---	---	---	7,676
Denmark.....a/	24,650	---	---	---	24,650
France.....	36,354	21,578	---	---	57,932
Italy.....	18,967	---	---	---	18,967
Netherlands.....a/	2,000	1,000	---	---	3,000
Norway.....	8,117	---	---	---	8,117
Poland (UNRRA).....	10,700	---	---	---	10,700
Sweden.....	9,866	---	---	---	9,866
Switzerland.....	6,479	---	---	---	6,479
Trieste.....	13,233	---	---	---	13,233
United Kingdom.....	17,250	---	---	---	17,250
Undeclared European Countries.....	---	799	33,023	43,631	77,453
India.....	---	---	2,300	6,900	9,200
Japan.....	2,500	4,000	---	---	6,500
Palestine.....	7,750	---	---	---	7,750
French Morocco.....	4,000	1,850	---	---	5,850
Un. of So. Africa.....	6,082	---	---	---	6,082
Undeclared African.....					
Countries.....	---	---	1,460	1,500	2,960
Undeclared South American Countries....	---	---	4,712	---	4,712
Total.....	464,906	56,941	92,721	87,274	701,842

a/ Some crushed for other countries.

American Embassy, Manila

WORLD COTTON PRODUCTION--(Continued from Page 274)

Since November 1945 the Peruvian Government has required that certain fixed percentages of the tillable land on farms in the coastal valleys be planted to food crops which has had the effect of restricting acreage planted to cotton. In more recent months the alarming deficit of edible fats and oils, of which the chief source in Peru is cotton, has tended to increase the importance of cotton as a food crop and may be expected to moderate the Government's requirements for the planting of land to food crops other than cotton.

In Peru a small increase in acreage and production may be expected this year, although information on planting of this crop is not yet available.

Egypt's 1947 cotton crop is estimated at 1,262,000 bales (500 pounds equivalent) from 1,302,000 acres, both figures representing a small increase above last year's estimates of 1,252,000 bales and 1,258,000 acres. Wartime restrictions on cotton acreage in Egypt have been gradually moderated from 773,000 acres in 1944 to 1,088,000 in 1946, and 1,105,000 in 1947. Actual plantings as estimated by the Ministry of Agriculture, were slightly above the limitations announced for 1946 and 1947, but have remained far below the 1935-39 average of 1,821,000 acres.

The 1947 cotton crop in Korea is about equal to the small 1946 crop of 90,000 bales, with a 50 to 60 percent reduction from previous years attributed to the pressure for greater food production.

Soviet Union: The official program set the goal for the 1947 cotton crop in that country at 2,935,000 bales from 3,625,000 acres compared with a harvested crop of 2,200,000 bales from 3,216,000 acres in 1946. Efforts are being made to increase cotton production by raising yields rather than by increasing acreage. The Government plans to increase irrigation facilities, fertilizers, and equipment.

Production in Africa, outside of Egypt, (mostly southern hemisphere) is expected to be about equal to that in 1946. Production in minor-producing areas of southeast Asia is reported to have dropped to a very low level since 1945. In European countries where the combined total for 1947 is about 125,000 bales, there is no evidence of sponsored programs to increase cotton production, the general food shortage being a deterrent.

E C O N O M I C D E V E L O P M E N T S

PARAGUAY CLASSIFIES IMPORTS FOR GRANTING OF FOREIGN EXCHANGE

The Bank of Paraguay approved a new classification of imports for the purpose of allocating foreign exchange, effective September 1.

For Group 1 commodities, (essential and needed immediately) foreign exchange may be obtained at official market rates without limitation. For imports in Group 2, (essential but not needed immediately), exchange may be obtained only at auction market rates, which in recent months have been fairly stable at 11 percent above the official rate. Certain imports in Group 3, (non-essential commodities) must be paid for with exchange obtained at the auction rate, while for others in this group no exchange is currently being allocated.

The Bank of Paraguay does not necessarily accept the highest bids at auction, and apparently through the acceptance and rejection of bids controls the volume of classes of merchandise below Group 1 which will be admitted.

Group 1, or essential commodities immediately needed, includes lubricating oils and greases, selected drugs and medicines, turpentine and varnishes, tractors and automotive equipment other than passenger cars.

Products of agricultural origin in Group 2, for which exchange is available at auction market rates, include condensed milk, butter, oleo-margarine, common cheese (Argentine and Uruguayan), cacao beans, vegetable dyes, animal oils, vegetable wax, glue, seeds, and animal products employed in medicines.

Group 3 items, non-essential but eligible for exchange at auction rates are canned meat, ham, bacon, cheese (except common), various fish products, garlic, onions, dried prunes, canned vegetables and fruits, fresh and preserved fruits, potatoes, raisins, peppers, fresh vegetables, dried peas and beans, barley, alimentary paste, chickpeas, cereal breakfast foods, cake flour, malt, millet, semolina, cocoa, chocolate, green coffee, jellies, marmalades, glucose, tomato paste and sauce, tea, beer, wines in wood containers, various types of cotton cloth, and rayons.

Also eligible for exchange at auction rates under Group 3 are imports of sausage, canned tongue, meat pastes, soup extracts, canned soup, smoked and canned fish, olives, capers, almonds, stuffed dates, dried fruits, mushrooms, walnuts, rye, candy, spices, flavoring extract, table sauces, vinegar, and canned fruit juice.

Among the commodities in Group 3 not currently eligible for exchange are hard liquors, soft drinks, certain wines, meat, poultry, fats, milk (except condensed), edible oils, coconuts, dates (except stuffed), candied fruits, peanuts, bran, alfalfa, rice, tapioca, oats, biscuits, cornmeal, hominy, corn, sugar, roasted coffee, molasses, and syrups.

AUSTRALIAN DOLLAR CONSERVATION AFFECTS U. S. TOBACCO EXPORTS

A reduction of \$40 million per year in Australian dollar expenditure was announced recently by the Prime Minister following the Federal Cabinet's consideration of the dollar situation in Australia and the United Kingdom. The reductions will apply mainly to imports of industrial goods. For many imports, licenses will no longer be granted, while for others imports will be restricted to a percentage of the volume brought in during some recent period.

Tobacco is the only item included in the restricted list which concerns United States agricultural export interests. A reduction of 20 percent from the volume imported in the fiscal year ended June 30, 1947, has been announced. In that year United States exports of leaf tobacco to Australia consisting almost entirely of bright-flue-cured tobacco, amounted to over 13,500,000 pounds, valued at close to \$8,750,000.

NEW FRANCO-DANISH COMMERCIAL AGREEMENT SIGNED

Negotiations resulting in a new Franco-Danish commercial agreement were concluded on October 7. The agreement is to be effective until September 30, 1948.

It is reported that French exports to Denmark under the agreement will amount to approximately 370 million francs, and will include wine, wool, chemicals, fabrics, trucks, and machinery. France will import from Denmark goods valued at approximately 400 million francs, including lard, condensed milk, butter, cheese, potatoes, meat, fish, horses, and machinery.

CHILE TRADES BARLEY
FOR BELGIAN WIRE

The Chilean Agricultural Credit Bank was authorized by decree of October 4 to export 5,000 metric tons of feed barley to Belgium in exchange for an amount of wire for agricultural purposes (3,000 metric tons according to the Santiago press.) The 5,000-ton barley quota is Chile's total 1947 exportable surplus as fixed by the Institute of Agricultural Economy.